

TOWN OF FRAMINGHAM

Neighborhood Stabilization Program (CDBG-NSP)

Direct Assistance to Communities

Revised June 19, 2009

Jurisdiction	Framingham, MA
NSP Contact Person	Eugene Kennedy, Assistant Director Community & Economic Development Division 150 Concord Street, Room B-2 Framingham, MA 01702
Jurisdiction Web Address	www.framinghamma.gov (URL where NSP substantial amendment materials are posted)
Telephone	508-532-5455
Fax	508-532-5461
E-mail	planning.department@framinghamma.gov
Amount of funds requested:	\$700,000 in NSP funds.

A. Description of Need

The Town of Framingham has analyzed the HUD-provided risk assessment data, as well as statistics from the Warren Group, CHAPA, US Census Bureau, the Reinvestment Fund (TRF), and local data on foreclosed properties maintained on an ongoing basis by the Town's Division of Inspectional Services. Framingham planners have used these data sources to identify the neighborhoods most in need of assistance through the NSP.

According to an inventory of foreclosed units prepared by Framingham's Division of Inspectional Services on September 100, 2008, there were 165 properties in Framingham in the various stages of foreclosure as of that date (See Town-wide foreclosure map in Appendix A). Of these properties, 118 (or 71.5% of the total) fell within three US Census tracts:

- Tract 383400 (block groups 1 – 4) 28 foreclosure properties
- Tract 383200 (block groups 1 – 4) 33 foreclosure properties
- Tract 383100 (block groups 1 – 4) 57 foreclosure properties

However, the Division's most recent inventory (prepared on January 29, 2009) lists 271 properties in the various stages of foreclosure, indicating a widening problem that the Town hopes to address with its requested NSP funding.

These three Census tracts also had the highest HUD-Estimated Foreclosure Abandonment Risk Score:

- Tract 383400 – Risk Score: 9
- Tract 383200 – Risk Score: 8
- Tract 383100 – Risk Score: 7

All three Census tracts are urbanized areas located within southern Framingham and all three tracts meet at least one of the four criteria for being an Environmental Justice Neighborhood:

- 383400 Block Group #1: minority population and foreign born.
Block Group #3: income, English proficiency, minority population and foreign-born.
- 383200 Block Group #1: low income and minority population.
Block Groups #3 and #4: minority population.
- 383100 Block Groups #1 and #3: income, minority population and foreign-born.
Block Groups #2 and #4: income, English proficiency, minority population and foreign-born.

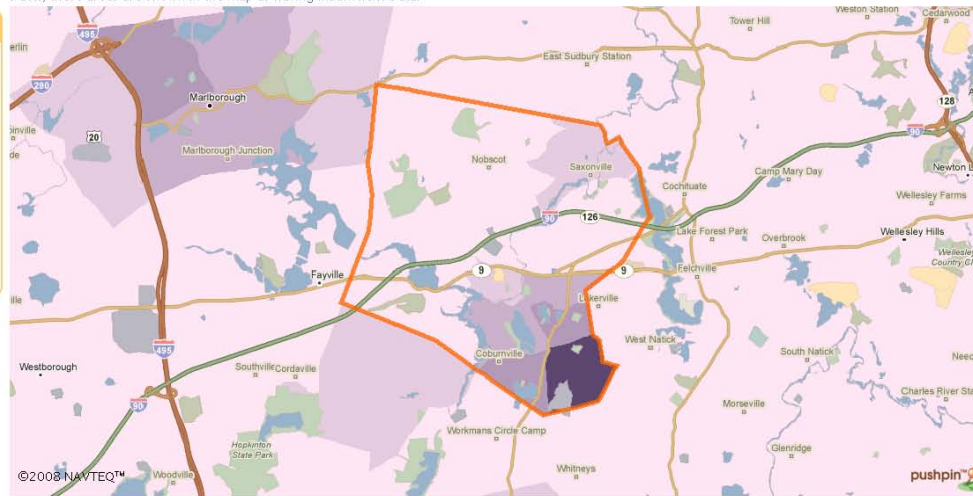
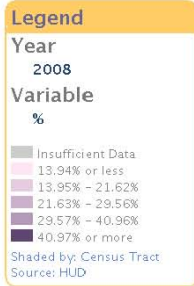
These three Census tracts also have a disproportionate number of vacant properties (see Target Census Tracts maps in Appendix A). Of the 165 properties within the foreclosure process in Framingham, 33 of them are vacant and are being closely monitored by the Division of Inspectional Services. In addition to these vacant properties, a disproportionate number of units in the foreclosure process consist of condominium units (i.e., multiple units at one location on the maps in Appendix A). Framingham has 2,500 condominium units, which represent 10 percent of our housing stock. However, of the 165 units in the target area, 68 are condominium units, which represent 41.2 % of the total units under foreclosure proceedings. Of particular note is the high level of minority and/or immigrant ownership of these foreclosed units. Framingham has historically served as an entry point for new immigrants – most recently from Brazil – and this population has been severely impacted by the housing crisis of the past several years.

The Reinvestment Fund, a non-profit community development financial institution that operates nationwide, has developed a mapping and database web-based service known as the Policy Map (www.policymap.com). This service can be used to identify the number of “high cost loans”, as defined by HUD, in any given community. According to a recent search of the Policy Map, the three Census tracts listed above have the highest percent of high-cost loans made in Framingham between 2004 and 2006 (based on HUD data - see accompanying map below). Approximately 41% or more of the loans made in Census tract 383100 were high cost loans, while between 29% and 41% of the loans made in Census tracts 383200 and 383400 were what HUD considered to be high cost loans.



Home Mortgage Disclosure Act (HMDA) data on the percent of all loans made between 2004 and 2006 that are high cost, according to HUD, as of 2008.

Federal Reserve Home Mortgage Disclosure Act (HMDA) data on the percent of all loans made between 2004 and 2006 that are high cost, according to HUD, as of 2008. These data were released by HUD through their website to help grantees apply for the Neighborhood Stabilization Program in keeping with the stipulations laid out in the Housing and Economic Recovery Act of 2008. Grey areas of the map indicate that HUD did not provide values for these Census tracts; these areas are shown in the map as having Insufficient Data.



PolicyMap is a service of The Reinvestment Fund

Copyright © 2008 PolicyMap. All rights reserved.

The Policy Map also allows for a graphic depiction of each Census tract's predicted 18-month underlying problem foreclosure rate. According to the Policy Map, the three Census tracts listed above have the highest rate of foreclosure risk for the next 18 months.



Map of Framingham with Predicted 18-month underlying problem foreclosure rate, according to HUD, as of 2008.

Predicted 18-month underlying problem foreclosure rate, according to HUD, as of 2008.

HUD's predicted 18-month underlying problem foreclosure rate, as of 2008. This rate does not provide the actual level of foreclosures in an area, but rather predicts what the foreclosure risk might be going forward. A rate closer to 100 indicates that HUD's analysis suggests a very high predicted risk, and a rate closer to 0 suggests a very low predicted risk. These data were released by HUD through their website to help grantees apply for the Neighborhood Stabilization Program in keeping with the stipulations laid out in the Housing and Economic Recovery Act of 2008. Grey shading in the map indicates that either the data released by HUD did not include these areas or that HUD gave these locations more than one rate.



PolicyMap is a service of The Reinvestment Fund

Copyright © 2008 PolicyMap. All rights reserved.

Based on the data presented above, the Town of Framingham has identified Census tracts 383100, 383200 and 383400 as the areas having the greatest need of foreclosure assistance. All three Census tracts are eligible for NSP funds, as well as CDBG and HOME funds. Framingham will target its NSP funds towards these three Census tracts, with tract 383400 receiving the highest priority (Tier 1), tract 383200 being the second highest priority (Tier 2) and tract 383100 being the third highest priority (Tier 3). While our NSP will primarily focus on the three identified Census tracts, we reserve the option to operate outside of the target tracts to serve the housing needs of the five other block groups identified as being eligible for the NSP (Census Tract 383600, Block Group 3; Tract 383700, Block Group 3; 383800, Block Group 5; 383700, Block Group 1; and Tract 383901, Block Group 5).

All Framingham NSP funds shall be targeted towards those individuals and families whose household income does not exceed 120% of the area median income (AMI). Not less than 25% of the Town's NSP funds shall be used for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose household incomes do not exceed 50% of the AMI.

B. Detailed Description of Proposed Activities

- Responsible Entity:** The Town of Framingham's Community and Economic Development (C&ED) Office will be responsible for the implementation of the NSP. Under the leadership of Eugene Kennedy, Assistant Director, the Town will coordinate this program by establishing the Framingham Housing Policy Committee (FHPC) to be comprised of members from the Board of Selectmen and Framingham

Housing Authority (FHA) and professional staff from the Community and Economic Development and Housing Authority Offices. The FHPC will collaborate with the FHA's non-profit Framingham Housing Development Corporation (FHDC) to implement Framingham's Neighborhood Stabilization Program.

The Town, the Framingham Housing Authority, and the Framingham Housing Development Corporation have developed a long-standing working relationship and will collaborate closely on the design and implementation of all aspects of the NSP. We share a commitment to expand housing opportunities, promote homeownership, and eliminate blight. We look forward to continuing and even strengthening our partnership to confront the foreclosure crisis and, ideally, convert it to an opportunity.

- **Targeted Areas:** The Town will carry out all activities within the target neighborhoods illustrated in the Census Tract Target Maps found in the Appendix identified by Census Tracts 383400, 383200, and 383100. While our NSP will primarily focus on the three identified Census tracts, we reserve the option to operate outside of the target tracts to serve the housing needs of the five other block groups identified as being eligible for the NSP program (Census Tract 383600, Block Group 3; Tract 383700, Block Group 3; 383800, Block Group 5; 383700, Block Group 1; and Tract 383901, Block Group 5).
- **Timeline:** Assuming an expeditious allocation of NSP funding, all activities will begin on July 15, 2009 and conclude by February 28, 2013.
- **Ensuring Affordability:** The Town of Framingham will ensure long-term affordability of the units receiving NSP assistance through the use of a recorded lien, deed rider or other land use restriction agreement (LURA) against the property. In the event that the unit is transferred to an owner deemed eligible for assistance under NSP guidelines, the Town would prefer the amount of assistance will be assumable by the subsequent owner to insure that the Town's interests are protected. We will follow the terms and conditions as established in HOME and CDBG regulations in terms of conducting required follow-up and affordability requirements.

The minimum affordability periods shall be as follows:

<u>Subsidy</u>	<u>Term</u>
Up to \$15,000	5 years
\$15,001 to \$40,000	10 years
Over \$40,000	15 years
New Construction	20 years

The subsidy will be forgiven upon proof that the property owner has retained the affordability of the unit consistent with the subsidy and terms set forth above. The Town recommends to both the State and HUD that deed restrictions for homeownership units should include recapture provisions, as allowed by the federal HOME Investment Partnership Program guidance and regulations, rather than a resale restriction. The Town may propose a graduated recapture provision, which will reward homeowners who remain in the properties for an extended period of time without a resale restriction, which limits their equity. It is the hope of the Town of Framingham that, in the event that a unit is transferred to an owner deemed ineligible for assistance under the NSP guidelines before the affordability expires, the assistance provided by the NPS will be subject to recapture. The Town would expect that all recaptured funds will be returned to the NSP and recycled in order to continue to promote the objectives of the program.

With the authorization of the State and HUD, the Town, in conjunction with FHDC, will develop explicit guidelines regarding recapture that meet, at an absolute minimum, the requirements established by NSP regulations (i.e. the federal HOME Investment Partnership Program, 24 CFR92.252(a), (c) and (f), and 92.254). The Town may utilize the recapture approach developed for the Framingham Homebuyer Assistance Program within the HOME Program. This approach has been and continues to be successful, and our staff has extensive experience in applying it to loans and grants issued through federally funded programs. We will also explore the possibility with FHDC to simplify the recapture

provisions in order to facilitate administration as well as to increase the ability of prospective homeowners to understand the restrictions imposed on participating in the program.

- **Housing Rehabilitation Standards:** All dwelling units that require rehabilitation must comply with the State Building Code. The Town of Framingham will require home rehabilitation and new construction to meet or exceed Massachusetts State Building Code, 780 CMR; the State Sanitary Code that specifies the minimum standards for human habitation, 105 CMR 400 and 410; Federal Housing Code: Housing Quality Standards; and HUD Lead-Based Paint Regulation (24 CFR Part 35). The Town of Framingham will encourage rehabilitation that improves energy efficiency and/or energy conservation in the dwelling units that receive NSP assistance. Additionally, the Town will encourage the incorporation of green building improvements when economically feasible. Projects involving gut rehabilitation will be required to meet Energy Star building performance standards. Energy Star compliance will be optional for projects involving a lower level of rehabilitation.
- **Low Income Targeting:** In order to focus funds on actual services, the Town of Framingham will utilize no more than 6.5 percent of its NSP allotment for planning and program administration. Of the programmatic funds, a minimum of twenty-five percent (25%) of the grant funds will be targeted towards those individuals and households whose incomes do not exceed 50% of the AMI. The remaining seventy-five percent (75%) of NSP funds will be targeted towards those individuals and households whose incomes do not exceed 120% of the AMI. Since many of the properties in the target Census tracts are multi-family properties, the Town anticipates that affordable rental opportunities will also be a product of this work program.
- **Acquisition and Relocation:** The Town does not anticipate that demolition of existing residential structures will be a major activity in its NSP program given the overall condition of Framingham's housing stock. However, the Town does reserve the right to demolish an acquired property if deemed a more effective use of NSP funds than renovating it. In particular, if a property inspection reveals that demolition of an existing dwelling unit is appropriate or cost-effective, the Town may choose to demolish the existing unit. The Town does not anticipate demolishing more than a few units if any.

Activity #1

- (1) **Activity Name:** Acquisition and Rehabilitation of Foreclosed Properties for Resale
- (2) **Activity Type:** Section 2301(c)(3)(B): Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

24 CFR 570.201: (a) Acquisition; (b) Disposition; and (i) Direct homeownership assistance

24 CFR 570.202: Eligible rehabilitation and preservation activities for homes and other residential properties.
- (3) **National Objective:** Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120% of area median income (AMI).
- (4) **Activity Description:** The Town will provide assistance to the non-profit Framingham Housing Development Corporation for acquisition and rehabilitation of abandoned or foreclosed-upon homes. The assistance is intended to prevent or ameliorate vacant properties and blight by providing assistance to make residential properties marketable. This activity directly supports stabilization of the target neighborhoods and will primarily benefit households below 120% of the AMI.
- (5) **Performance Measures:** Ten (10) units, two (2) of which will be for households at or below 50% AMI. The remaining eight (8) will be targeted for households at or below 120% AMI.

(6) **Total Budget:** NSP – \$604,500

(7) **Specific Activity Requirements:** Foreclosed properties will be acquired at a 5-15% discount from market value, consistent with NSP requirements. The homes targeted for NSP assistance will include properties that have been foreclosed, bank-owned, and vacant for at least ninety (90) days; properties that are blighted; or properties that have been abandoned for at least ninety (90) days, but no foreclosure action has been completed. The Town, working closely with the FHDC, shall negotiate to obtain properties at the maximum discount possible, which shall be a discount for each property of at least 5% from the current appraised value. In order to insure a maximum discount, the Town will participate in CHAPA's new Massachusetts Foreclosed Properties Program. This program will provide a right of first offer to eligible buyers prior to listing the property on Multiple Listing Service. The Town will follow approved State and Federal guidelines regarding the documentation of market value of acquisitions made with NSP funds.

After rehabilitation, the home will be sold to an income-eligible applicant with a household income of no more than 120% of local area median income (approximately \$102,960 for a family of four). A list of potential buyers will be generated by an aggressive effort by the FHPC to solicit applicants from several sources. The Framingham Housing Authority operates a Section 8 Family Self-Sufficiency program that seeks to place tenants in their first purchased home. To date, this program has assisted 34 families. Unfortunately, none of the new homes has been in Framingham due to previously prevailing market prices. The recent economic downturn provides an opportunity to assist these families given declining purchase prices in Framingham, thereby making property more affordable. The Town's CDBG Program also has assisted 77 first-time homebuyers since 1994 and has a current waiting list of at least a dozen families. A third source of homebuyers consists of those who have pre-qualified with local community banks. These local banks are partners with the Town in our ChooseFramingham initiative, which is part of the Town's efforts to promote homeownership.

ChooseFramingham, patterned after Worcester's BuyWorcesterNow, will use a web site that markets Framingham as a great place to live (see www.chooseframingham.com for our prototype). Our goal is to attract potential new homeowners from the large employee base we have here in Framingham (including the corporate offices of national companies like Staples, TJX, Bose and large biotechnology companies such as Genzyme) as well as to market Framingham to a larger audience as a great place in which to live. If deemed an acceptable use of NSP funds, the Town will promote homeownership opportunities to income-eligible Framingham Town and School Employees. As part of the evolving web site, the Town is developing a "homeownership package" that will include loan packages from local banks and brokers, support from C&ED as well as other municipal departments, collaborations with local businesses, and the provision of discount and incentive packages assembled into a welcome basket—all designed to encourage and facilitate homeownership.

The applicant will procure a fixed-rate mortgage through a local bank or mortgage lender. All loans shall require full documentation including income verification; no pre-payment penalties will be permitted; closing costs must be reasonable and customary; and each applicant's total debt-to-income ratio must be reasonable as determined by the Town. The Town will work to identify income-qualified and mortgage-ready applicants.

Our NSP program will target single family, multi family and condominium housing units. The FHDC will also consider the following redevelopment models: two-family properties purchased for homeownership with a Section 8 tenant voucher available to assure long term cash flow; and condominium units as potential rent-to-own properties for the Housing Authority's Framingham Family Self Sufficiency Program.

Because Framingham's approach includes a coordinated venture with the Housing Authority, should a unit intended for home ownership not sell within a timeframe deemed reasonable by the Town, the unit may be rented to an income-eligible household. The Housing Authority currently has a waiting list of approximately 100 families seeking rental housing.

Affordability restrictions shall apply and the unit(s) must be occupied by households earning no more than 120% of the local area median income and rents may not exceed the limits as established in Section C. Definitions and Descriptions, (2) Definition of "affordable rents". Partnering with the Housing Authority will enable the Town to meet the NSP target populations of <50%, <30% and the homeless.

Activity #2

(1) **Activity Name:** Direct Homebuyer Assistance

(2) **Activity Type:** Sec. 2301 (c) (3) (A): Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low and moderate-income homebuyers.

To the extent that financing assistance is used to carry out the following eligible activities: 24 CFR 570.201: (a) Acquisition; (i) Relocation; and (n) Direct homeownership assistance to low-, moderate- and middle-income households.

24 CFR 570.202 (b) Types of assistance: CDBG funds may be used to finance the following types of rehabilitation activities, and related costs, either singly, or in combination, through the use of grants, loans, loan guarantees, interest supplements, or other means for buildings and improvements described in paragraph (a) of this section, except that rehabilitation of commercial or industrial buildings is limited as described in paragraph (a)(3).

(1) Assistance to private individuals and entities, including profit making and nonprofit organizations, to acquire for the purpose of rehabilitation, and to rehabilitate properties, for use or resale for residential purposes.

(2) Labor, materials, and other costs of rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance; replacement of principal fixtures and components of existing structures; installation of security devices; including smoke detectors and dead bolt locks; and renovation through alterations; additions to, or enhancement of existing structures and improvements; abatement of asbestos hazards (and other contaminants) in buildings and improvements that may be undertaken singly, or in combination.

Sec. 2301(c)(3)(B): Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

24 CFR 570.202: Eligible rehabilitation and preservation activities for homes and other residential properties.

(3) **National Objective:** Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120% of area median income.

(4) **Activity Description:** Direct Homebuyer Assistance will encourage first-time homebuyers to invest in Framingham. Assistance may be in the form of down payment and closing cost assistance to provide incentives to families for acquiring a home in targeted neighborhoods. Rehabilitation financing and/or technical assistance may also be used to provide families with resources needed to bring their purchased property up to code. The activity will provide assistance for the purchase of single family, multi family and condominiums. Increasing and maintaining responsible homeownership with responsible and sustainable mortgage programs is a high priority activity for the Town within NSP high-need areas. Providing incentives for residents to own and occupy these properties with responsible mortgage and grant programs will be a stabilizing force. This activity is designed to stabilize neighborhoods by encouraging homeownership. This activity will primarily benefit households below 120% of area median income. The Town will attempt to also serve at least one household below 50% of area median income through this activity.

Through our ChooseFramingham initiative, the Town proposes to work closely with participating community banks and other lenders to provide grants and/or recoverable loans to individuals to purchase a foreclosed, abandoned, or otherwise eligible property in designated high-foreclosure areas.

As a member of the Newton HOME consortium, Framingham anticipates that its HOME funds will supplement NSP funds. Framingham will partner with State agencies such as the Massachusetts Housing Partnership (MHP), MassHousing and the State's Housing Finance Agency (HFA) which we expect will contribute to the success of this activity.

The Town's Community Development Block Grant Program has extensive experience in successfully administering both a successful Downpayment Assistance Program and Rehabilitation Program, and will continue to rely on CDBG and HOME funds to promote these programs, which are consistent with the NSP. In addition, NSP homebuyer assistance funds will be critical in insuring that properties that have been purchased and renovated with NSP acquisition and rehabilitation funds are used to provide direct assistance to income-eligible homeowners.

As expanded upon above under "Ensuring Affordability", the Town of Framingham will ensure long-term affordability of the units receiving NSP assistance through the use of a recorded lien, deed rider or other land use restriction agreement (LURA) against the property. In the event that the unit is transferred to an owner deemed eligible for assistance under NSP guidelines, the amount of assistance will be assumable by the subsequent owner to insure that the Town's interests are protected. We will follow the terms and conditions as established in HOME and CDBG regulations in terms of conducting required follow-up and insuring that affordability requirements are met.

The Town, in conjunction with FHDC, will establish, implement and thoroughly explain explicit guidelines regarding affordability periods and recapture that meet, at a minimum, the requirements established by NSP regulations (i.e. the federal HOME Investment Partnership Program, 24 CFR92.252(a), (c) and (f), and 92.254).

Since many of the properties in the target census tracts are multi family properties, the Town anticipates that affordable rental opportunities will also be made available from this activity.

(5) **Performance Measures**: Two (2) households will be assisted.

(6) **Total Budget**: NSP – \$50,000

Activity #3

(1) **Activity Name**: Administration and Technical Assistance

(2) **Activity Type**: Sec. 2301(H): All NSP activities.

(3) **National Objective**: NA

(4) **Activity Description**: The Town in collaboration with the Framingham Housing Development Corporation will utilize available staff for the implementation of the NSP program. NSP program staff will work under the direction of FHDC, in close partnership with FHA and the Town, and provide assistance to the Framingham Housing Development Corporation to implement the activities described in this Application. Program staff will work with CHAPA through their new Foreclosed Properties Program in the negotiation of "first look" and/or bulk purchases of foreclosed homes. Program staff will also serve as the liaison for the effective integration of the State's NSP funds and other funds with the Town NSP and other funds. The program staff will also oversee the balance of the NSP administrative funds, which will be used for contracted services such as legal, appraisals and other services.

(5) Performance Measures: Town staff will be responsible for achieving the performance measures previously described in Activities 1 and 2.

(6) Total Budget: NSP – \$45,500

C. Capacity of Municipal Government to Administer Funds

Framingham's NSP will be administered by the Town's Community and Economic Development Division (C&ED), which regularly manages federal grant-funded projects of various types and sizes. C&ED has significant experience managing federal funds. According to C&ED personnel, none of the federal grant programs has had adverse audit findings or has needed to comply with special "High Risk" terms and conditions. In particular, Framingham's Community Development Block Grant Program (CDBG) has received \$19,424,299.00 during its first 33 years. The Town's entitlement for the 2008 federal fiscal year was \$529,444.00 and HOME Investment Partnership Act Program Funding was \$382,612. In addition to CDBG and HOME funding, C&ED has been responsible for securing and administering millions in federal and state grants. Most recently, the Town received a second \$200,000 EPA Brownfields grant and a \$500,000 state PARC grant for recreational improvements.

As a CDBG Entitlement Community, Framingham receives an annual allocation that is administered by C&ED. In FY '08, the Town met all reporting requirements, and achieved expected results. Our Sign & Façade Program, funded with CDBG, is focused on providing funding to small businesses interested in upgrading their signs and storefronts. The program boundaries include the downtown and along Waverly Street (Route 135), a major commercial corridor. Since its inception in 1997, the Program has resulted in improvements to 70 signs and 15 facades, representing over \$225,032 in direct grants and leveraging \$829,120 in private investment toward the goal of eradicating blighted commercial property conditions in the delineated area within the community.

The Division has also developed standardized forms and procedures to uniformly collect data from clients served by CDBG-funded programs to facilitate compliance with HUD reporting requirements. Projects are monitored bi-annually and reports are filed with HUD. C&ED complies with the Davis Bacon Act for CDBG-funded infrastructure projects greater than \$2,500.

D. Municipal Government Readiness to Proceed

The C&ED consists of a Director, Assistant Director, a Senior Planner, a Generalist Planner and two Administrative Assistants. One of the Administrative Assistants is tri-lingual and will provide translation services and community outreach services for the NSP program. The Town's Community Development Block Grant (CDBG) office is part of C&ED and consists of four full-time staff members – a Director, a Housing Rehab Specialist, an Administrative Assistant, and a Housing Program Assistant. The Division's NSP work will be supplemented by several other municipal departments, including the Board of Health, Fire Department, Police Department, Public Works Department, and the 14-member Division of Inspectional Services (7 inspectors, 3 code enforcement officers, 2 consumer action officers and two administrative assistants).

In addition to the various municipal departments, Framingham's C&ED will coordinate the implementation of its NSP through the Framingham Housing Authority (FHA). The FHA has been in existence since 1950, and currently manages 13 housing developments containing a total of 1,013 units. The FHA will be involved through its non-profit housing development organization, the Framingham Housing Development Corporation (FHDC). This 501c(3) organization was formed in 1993 for the express purposes of financing and acquiring properties and for participating in Federal, State and local housing programs. The FHDC has been the sub-recipient of Federal CDBG funds through the Town's CDBG Office and, to date, has developed six housing units in the Town. The Town will also partner with other agencies including the Department of Housing and Community Development (DHCD), Massachusetts Housing Partnership (MHP),

the Citizen's Housing and Planning Association (CHAPA), the Massachusetts Housing Investment Corporation (MHIC), MassHousing and South Middlesex Legal Services. Framingham's local banks and realtors will also be involved with marketing and financing the sale of housing units that receive NSP funding assistance.

In terms of utilizing NSP funds, the Town of Framingham is committed to hitting the ground running and is well prepared to do so.

E. Activities are Consistent with Local Strategies and Efforts

The Town of Framingham has already taken several proactive steps to address the foreclosure issue, as documented in the Town's Foreclosure Action Plan, adopted by the Board of Selectmen in October of 2008 (Appendix B). Beginning in 2007, the Town's Division of Inspectional Services created a foreclosed properties tracking system. Since that time, the Division has expanded upon the system and closely monitors these properties with its inspectional services staff. The Town has added a foreclosure resource page to the Town's municipal website (www.framinghamma.gov) and has hosted foreclosure discussion workshops with local realtors and lenders. The Town periodically sends out foreclosure prevention information with its tax bills and is creating a homebuyer resource website entitled www.chooseframingham.com.

Further, a Planner has been designated as the contact person within the Town to field telephone calls and e-mails, provide advice, and direct people in the midst of foreclosure to various support organizations that may be able to assist. As part of his responsibilities, the Planner maintains contact with his clients in order to monitor their situation and try to offer additional assistance.

The Town's primary goals for utilizing NSP funds are to strengthen and stabilize neighborhoods by encouraging homeownership in Framingham. The tasks contained herein are aimed in that direction. These goals are consistent with the policies and recommendations set forth in the Framingham Housing Plan, which was adopted at the May 2007 Town Meeting (www.framinghamma.gov); the housing recommendations set forth in the Town of Framingham's Community Development Plan, prepared in June of 2004; and the Community Development Program's Affordable Rent Policy Statement (Appendix C), as well as the previous neighborhood stabilization activities undertaken by C&ED and the Town's CDBG and HOME programs.

F. Budget

Activity	Requested NSP Funds	Other Public Financing*** (CDBG/HOME)
Acquisition and Rehabilitation	\$ 604,500	\$40,000 x 4 years \$ 160,000
Homebuyer Assistance	\$ 50,000	\$24,000 x 4 years \$ 96,000
Homebuyer Education	\$ 0	
Demolition	\$ 0	
Land Banking	\$ 0	
Administration and Direct Services	\$ 45,500	
TOTALS	\$ 700,000	\$ 256,000

*** While not quantified in the above chart, CDBG staff is working to coordinate NSP, CDBG and HOME programs in order to promote neighborhood stabilization. Further, in addition to the public financing identified above, the Town of Framingham will continue to allocate Town-funded staff to provide assistance to people in the throws of foreclosure and to identify and undertake activities that can minimize the destructive effects of foreclosed and abandoned properties on both people and a community. The allocation of staff time from various departments reflects the Town's commitment to avoid foreclosures, promote

homeownership, respond to the need for quality housing, and protect our neighborhoods from blight. Although we have not quantified the actual value of this commitment, it is significant and involves diverting staff from other municipal priorities. Despite this commitment, the Town is not in a position to effectively achieve our goals without a significant infusion of funding through the Neighborhood Stabilization Program.

Furthermore, both the Town and FHDC will work closely with banks and other private developers to encourage their participation in this program and will incorporate reference to their loan programs in our ChooseFramingham web site. Similarly, the Town and FHDC will work with MHP and MassHousing to identify and promote their programs as a means of improving Framingham's Housing Stabilization Plan.

G. Public Comment

The Town's NSP Direct Assistance Application was posted on the Town of Framingham's municipal website at: www.framinghamma.gov in January 2009. No comments were received.

Further, the Community and Economic Development Division presented the Neighborhood Stabilization Plan at a televised meeting of the Board of Selectmen during February of 2009.

H. Appendices

Appendix A – Foreclosure Data Maps
Appendix B – Foreclosure Action Plan, October 2008
Appendix C – Framingham Rent Policy Statement

APPENDIX A

FORECLOSURE DATA MAPS

APPENDIX B

FORECLOSURE ACTION PLAN

APPENDIX C

FRAMINGHAM RENT POLICY STATEMENT